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8 Attorneys for Great Western Bank

9 **IN THE UNITED STATES BANKRUPTCY COURT**
10 **FOR THE DISTRICT OF ARIZONA**

11 In re:

12 Robert Monroe Galvan and Michelle Joanne
13 Galvan,

14 Debtor.

Chapter 11 Proceedings

Case No. 2:11-bk-02693-CGC

15 **NOTICE OF LODGING**
16 **STIPULATED INTERIM ORDER**
17 **AUTHORIZING DEBTORS' USE OF**
18 **CASH COLLATERAL UNDER**
19 **11 U.S.C. § 363 AND PROVIDING**
20 **POST-PETITION LIENS**

21 **NOTICE IS HEREBY GIVEN** that Zachary L. LaPrade, attorney for Great Western
22 Bank, a bank chartered under the laws of the State of South Dakota, secured creditor, has
23 uploaded a proposed form of Stipulated Interim Order Authorizing Debtors' Use of Cash
24 Collateral Under 11 U.S.C. § 363 and Providing Post-Petition Liens, a copy of which is attached
25 hereto as Exhibit "A."

26 DATED this 22nd day of April, 2011.

27 **RYLEY CARLOCK & APPLEWHITE**

28 By /s/ Zachary L. LaPrade
William Scott Jenkins, Jr.
Zachary L. LaPrade
One North Central Avenue, Suite 1200
Phoenix, Arizona 85004-4417
Attorneys for Great Western Bank

1 The foregoing was electronically filed with the
2 U.S. Bankruptcy Court on this 22nd day of
3 April, 2011.

4 COPIES of the foregoing were mailed
5 by regular U.S. Mail on this
6 22nd day of April, 2011, to:

7 Office of the U.S. Trustee
8 U.S. Bankruptcy Court
9 230 North First Avenue, Suite 204
10 Phoenix, Arizona 85003

11 J. Murray Zeigler
12 Zeigler Law Group
13 1351 North Criss Street
14 Chandler, Arizona 85226-1307

15 Debtors' List of Top Twenty Creditors
16 attached hereto as Exhibit 1.

17
18 By: /s/ Joyce Gesick
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UNITED STATES BANKRUPTCY COURT
District of Arizona

In re Debtor

Chapter 11

Following is the list of the debtor's creditors holding the 20 largest unsecured claims. The list is prepared in accordance with Fed. R. Bankr. P. 1007(d) for filing in this chapter 11 [or chapter 9] case. The list does not include (1) persons who come within the definition of "insider" set forth in 11 U.S.C. § 101, or (2) secured creditors unless the value of the collateral is such that the unsecured deficiency places the creditor among the holders of the 20 largest unsecured claims. If a minor child is one of the creditors holding the 20 largest unsecured claims, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See 11 U.S.C. § 112 and Fed. R. Bankr. P. 1007(m).

(1)	(2)	(3)	(4)	(5)
<i>Name of creditor and complete mailing address including zip code</i>	<i>Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted</i>	<i>Nature of claim (trade debt, bank loan, government contract, etc.</i>	<i>Indicate if claim is contingent, unliquidated, disputed or subject to setoff</i>	<i>Amount of claim [if secured also state value of security]</i>
EAST VALLEY DIAGNOSTIC PO BOX 98311 PHOENIX, AZ 85038				1,000.00
NAVAJO COUNTY ASSESSORS OFFICE PO BOX 668 HOLBROOK, AZ 86025				1,431.20
Gemb/chevron 4125 Windward Plz Alpharetta, GA 30005				1,486.00
CHEVRON GE MONEY PO BOX 530950 ATLANTA, GA 30353				1,486.11

(1)	(2)	(3)	(4)	(5)
<i>Name of creditor and complete mailing address including zip code</i>	<i>Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted</i>	<i>Nature of claim (trade debt, bank loan, government contract, etc.</i>	<i>Indicate if claim is contingent, unliquidated, disputed or subject to setoff</i>	<i>Amount of claim [if secured also state value of security]</i>
Chase P.o. Box 15298 Wilmington, DE 19850				1,570.00
GO RENTER.COM, LLC 645 E MISSOURI AVE SUITE 270 PHOENIX, AZ 85012				2,510.64
CITY OF SHOW LOW 550 N. 9TH PLACE SHOW LOW, AZ 85901				2,951.00 Collateral FMV 0.00
Amex P.o. Box 981537 El Paso, TX 79998				3,672.00
Microbilt Collection 1640 Airport Rd, Suite 115 Kennesaw, GA 30144				3,973.00
NAVAJO COUNTY ASSESSORS OFFICE PO BOX 668 HOLBROOK, AZ 86025				7,999.33
Bk Of Amer Po Box 17054 Wilmington, DE 19850				8,042.00
BANK OF AMERICA PO BOX 301200 LOS ANGELES, CA 90030				8,285.90
Cap One Po Box 85520 Richmond, VA 23285				8,566.00
NAVAJO COUNTY ASSESSORS OFFICE PO BOX 668 HOLBROOK, AZ 86025				9,056.59

(1) <i>Name of creditor and complete mailing address including zip code</i>	(2) <i>Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted</i>	(3) <i>Nature of claim (trade debt, bank loan, government contract, etc.</i>	(4) <i>Indicate if claim is contingent, unliquidated, disputed or subject to setoff</i>	(5) <i>Amount of claim (if secured also state value of security)</i>
NAVAJO COUNTY ASSESSORS OFFICE PO BOX 668 HOLBROOK, AZ 86025				10,209.50
Bank Of America Po Box 17054 Wilmington, DE 19850				10,284.00
DR PAUL FRAME 3330 S PRICE RD #D-110 TEMPE, AZ 85282				12,900.00
NAVAJO COUNTY ASSESSORS OFFICE PO BOX 668 HOLBROOK, AZ 86025				27,094.38
Bank Of America Po Box 17054 Wilmington, DE 19850				37,130.00
GREG COTE 2070 JASPAR CREEK PLACE HENDERSON, NV 89123				50,000.00

DECLARATION UNDER PENALTY OF PERJURY BY INDIVIDUAL DEBTOR

I declare under penalty of perjury that I have read the answers contained in the foregoing list of twenty largest unsecured creditors and that it is true and correct to the best of my knowledge, information and belief.

Date	02/01/2011	Signature	/s/ ROBERT MONROE GALVAN ROBERT MONROE GALVAN
Date	02/01/2011	Signature of Joint Debtor	/s/ MICHELLE JOANNE GALVAN MICHELLE JOANNE GALVAN

EXHIBIT A

1 **RYLEY CARLOCK & APPLEWHITE**

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10 Attorneys for Great Western Bank

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12 **FOR THE DISTRICT OF ARIZONA**

13 In re:

14 Robert Monroe Galvan and Michelle Joanne
15 Galvan,

16 Debtors.

Chapter 11 Proceedings

Case No. 2:11-bk-02693-CGC

**STIPULATED INTERIM ORDER
AUTHORIZING DEBTORS' USE OF
CASH COLLATERAL UNDER
11 U.S.C. § 363 AND PROVIDING
POST-PETITION LIENS**

17 This matter, having come before the Court upon stipulation of Robert Monroe Galvan
18 and Michelle Joanne Galvan (collectively, the "Debtors") and Great Western Bank ("Bank")
19 regarding the use of cash collateral pursuant to 11 U.S.C. § 363,

20 **IT APPEARING THAT:**

21 1. Debtors and the Bank stipulate and agree to the facts set forth in this Interim
22 Order as true and accurate statement of facts.

23 2. The relief granted below includes: 1) granting Bank replacement liens and
24 security interests in the Collateral and Rents (as defined in the Interim Order) to secure the
25 debts owed to Bank (Page 3, ¶B); 2) findings as to the amount of Bank's secured debt and the
26 validity, perfection and scope of Bank's security interests securing such debt (Page 3-4, ¶¶
27 A-E); and 3) granting Bank an administrative claim against the estate for every dollar of cash
28 collateral expended by Debtor during the pendency of this case (Page 3, ¶ C). The basis for
the relief requested is set forth on pages 1-3 of this Interim Order.

1 3. Debtors filed a bankruptcy petition on February 1, 2011 ("Petition Date").

2 4. Debtors are the owners of the following properties (collectively, the
3 "Properties");

4 a. 4201 South White Mountain Road, Show Low, Arizona 85901;

5 b. 380 East Thornton Road, Show Low, Arizona 85901;

6 c. 951 North 16th Street, Show Low, Arizona 85901; and

7 d. 961 North 16th Street, Show Low, Arizona 85901.

8 5. On or about April 7, 2005, Bank and Debtors entered into a Business Loan
9 Agreement ("Loan Agreement") to finance the purchase of the Properties.

10 6. In connection with the Loan Agreement, Debtors executed and delivered a
11 Promissory Note, dated April 7, 2005 (the "Note"), to evidence a loan in the principal
12 amount of \$1,002,142.50 ("Loan").

13 7. The Note is secured by a Deed of Trust, recorded on April 8, 2005, at
14 Recorder's No. 2005-08529, records of Navajo County, Arizona ("Deed of Trust"), relating
15 to the Properties, whereby the Debtor encumbered certain real and personal property, as well
16 as all of Debtors' rights, title and interest in and to all present and future leases of the
17 Properties and all rents from the Properties (collectively, the "Collateral").

18 8. Floor Store, Inc., an Arizona corporation, and Revelations in Design, Inc., an
19 Arizona corporation, each executed a Commercial Guaranty on April 7, 2005 (collectively,
20 the "Guaranty").

21 9. The Loan Agreement, Note, Guaranty, Deed of Trust and any other documents
22 executed and delivered in connection with the Loan are referred to as the "Loan Documents."

23 10. Debtors acknowledge and stipulate that the Loan Documents are properly
24 executed and enforceable.

25 11. Debtors acknowledge and stipulate that the Bank's liens on the Collateral are
26 valid, properly perfected and enforceable. Debtors further acknowledge and stipulate that
27 the Bank's interest in all revenues arising out of the Collateral is properly perfected and
28

1 enforceable, and that all such revenues constitute the Bank's cash collateral pursuant to 11
2 U.S.C. § 363(a).

3 12. As of February 2, 2011, the Debtors were indebted to the Bank under the Loan
4 Documents in the amount of \$1,011,278.52, which includes principal in the amount of
5 \$915,940.86, accrued default interest of \$93,658.23, fees and cost in the approximate amount
6 of \$8,000, with interest continuing to accrue.

7 IT FURTHER APPEARING that the entry of this Interim Order will permit the
8 continued operation of the Properties, provide for the continued use of the Bank's cash
9 collateral and grant replacement liens to the Bank for the use of its cash collateral, and that
10 this Order is in the best interest of Debtors, their creditors, and equity interest holders,

11 **IT IS HEREBY ORDERED, ADJUDGED, AND DECREED:**

12 A. The facts set forth in this Interim Order shall be adopted by the Court as
13 findings of fact unless challenged in a timely manner by a creditor or party in interest. Any
14 creditor or party in interest shall have fourteen (14) days from the date of mailing a notice of
15 this Interim Order to file with the Court any objection to the amount, priority or validity of
16 the Bank's secured claims (the "Secured Claims") as set forth in this Interim Order. If any
17 creditor and party in interest fails to file an objection to the Secured Claims within fourteen
18 (14) days, then all objections to the Secured Claims shall be deemed waived and the Bank's
19 Secured Claims shall be allowed as secured claims and perfected liens in the Collateral as set
20 forth in this Interim Order.

21 B. Bank is hereby granted a replacement lien and security interest in the Collateral
22 and Rents to secure the debt owed to Bank under the Loan Documents.

23 C. Bank is hereby granted, as adequate protection, an administrative claim against
24 the estate for every dollar of cash collateral expended by the Debtor after the Petition Date.

25 D. Such post-petition security interests and liens shall be deemed effective and
26 automatically perfected as of the Petition Date without the necessity of Bank taking any
27 further action, recording any document or filing any financing statement or other documents.
28

1 E. Debtors may use cash collateral for the payment of reasonable and necessary
2 expenses incurred in the ordinary course of the operation of the Properties according to the
3 terms of the consolidated budget (the "Budget") attached hereto as Exhibit "A." Debtors'
4 authorization to use Bank's cash collateral pursuant to the terms of this Interim Order and the
5 Budget will automatically terminate on the earlier of: 1) June 30, 2011; or 2) the occurrence
6 of one of the following events ("Termination Date"):

- 7 a. an order is entered dismissing or converting the Debtors' case;
- 8 b. an order is entered appointing a Chapter 11 Trustee in the Debtors'
9 case;
- 10 c. the Debtors fail to comply with Interim Order; or
- 11 d. The Bank is granted relief from the automatic stay of 11 U.S.C. §
12 362 in order to enforce its rights and remedies against the Properties.

13 Debtors' rights to use any cash collateral of the Bank will automatically terminate on
14 the Termination Date, unless the Bank and Debtor agree in writing to extend the date of
15 termination of this Interim Order. Debtors shall be permitted to make payments on the
16 Budget for each and every month, provided, however, that Debtors may exceed any major
17 category of the Budget by 10% in any given month. Debtors shall not make any expenditure
18 beyond the Budget, plus a 10% variance, without written approval of the Bank or an order of
19 the Bankruptcy Court authorizing such expenditure. Any cash collateral received in excess
20 of that required for operations consistent with the Budget, and not paid to the Bank pursuant
21 to this Order, shall be sequestered until such time as the Bank consents to, or this Court
22 orders, its use.

23 F. Debtors shall provide to the Bank, by no later than the 20th day of each month, a
24 detailed, month-end report of all revenues and expenses of the Properties, in a form
25 acceptable to the Bank. The report shall set forth the revenues and expenses included in the
26 report and shall explain any variances from the Budget. The report shall compare the Budget
27 the Profit and Loss statement of Debtors.
28

1 G. All Collateral shall be insured to its full value by Debtors and the Bank shall be
2 noted as a loss payee on the policy.

3 H. The Bank reserves any rights it may have against any other party for any funds
4 from the operation of Debtors that were improperly used. Any recovery of such funds shall
5 constitute collateral of the Bank.

6 I. All rights of the Bank to seek additional adequate protection for its interests, to
7 file a motion for relief from the automatic stay, to terminate the Bank's consent to the use of
8 cash collateral, to object to any plan, or to take any other position in the case are expressly
9 reserved.

10 J. Debtors shall provide a notice of this Interim Order in accordance with Rule
11 4001(d), *Fed.R.Bankr.P.*, and Local Bankruptcy Rules 4001-3 and 4001-4(B). Any creditor
12 or party-in-interest objecting to the entry of this Order must do so by filing a written
13 objection within fourteen (14) days of the entry of this Interim Order. Notice of the
14 objection shall be served on the attorneys for Debtors and the Bank. If no timely objections
15 are filed, the terms and the conditions of this Interim Order shall be deemed approved,
16 without further order of Court, and shall be binding upon all parties-in-interest, including
17 any successor trustee, whether in Chapter 11 or Chapter 7, any creditors and any creditors'
18 committee. If any creditor or party in interest timely objects to this Interim Order, or to the
19 amount, priority, or validity of the Bank's Secured Claims, the Court will schedule a hearing
20 on the objection. The Bank and the Debtors are authorized to submit supplements or
21 amendments to this Interim Order.

22 K. This Interim Order shall not in any way affect any obligation of any obligor or
23 guarantor of monies owed to the Bank, including, but not limited to, Floor Store, Inc., an
24 Arizona corporation, and Revelations in Design, Inc., an Arizona corporation.

25 L. If an objection to this Interim Order is timely filed, the Interim Order will
26 remain in full force and effect on an interim basis until the Court completes a final hearing
27 on such objection. If such objection is overruled, the Interim Order will remain in full force
28 and effect. If any such objection is sustained, the Bank's consent to the use of its cash

1 collateral will automatically terminate, Debtors shall immediately cease expenditure of any
2 of the Bank's cash collateral, which shall be immediately turned over to the Bank upon
3 collection, and this Interim Order will be of no further force and effect from that point
4 forward, provided, however, that all actions taken post-petition in reliance upon this Interim
5 Order shall remain valid and the Bank's liens on all post-petition assets to such date shall
6 remain valid and enforceable.

7 M. The Bank's interest in the Collateral, and any other assets subject to its liens
8 shall not be subject to surcharge under § 506(c) of the Bankruptcy Code by Debtors, any
9 creditor, creditors' committee, or any trustee in either Chapters 7 or 11.

10 N. Notwithstanding anything to the contrary, Debtors are not authorized to use the
11 Bank's cash collateral to sue the Bank or to take any position adversarial to the Bank. The
12 Bank's consent to the use of its cash collateral under this paragraph may be prospectively
13 withdrawn at any time upon written notice to Debtors' counsel.

14
15 [DATED AND SIGNED ABOVE]

16 Consented and Agreed to this 22nd day of April, 2011

17
18 ZEIGLER LAW GROUP

19
20 By: /s/ J. Murray Zeigler (w/ permission)
21 J. Murray Zeigler
22 1351 North Criss St.
Chandler, AZ 85226-1307
Attorney for the Debtors

23 RYLEY, CARLOCK & APPLEWHITE, P.A.

24
25 By: /s/ Zachary LaPrade
26 William Scott Jenkins, Jr.
27 Zachary L. LaPrade
28 One North Central Avenue, Suite 1200
Phoenix, AZ 85004-4417
Attorneys for Great Western Bank

1 The foregoing was electronically filed with
2 the U.S. Bankruptcy Court on this 22nd day
3 of April, 2011.

4 By: /s/ Joyce Gesick
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EXHIBIT A

